



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

**DATE:** December 17, 2019

**TO:** Christopher Harkins, Director, Senate Fiscal Agency  
Mary Ann Cleary, Director, House Fiscal Agency  
Senator Jim Stamas, Chairperson, Appropriation Committee  
Representative Shane Hernandez, Chairperson, Appropriation Committee  
Senator Jim Runestad, Chairperson, Finance Committee  
Representative Lynn Afendoulis, Chairperson, Tax Policy Committee

**FROM:** David A. Buick, Executive Director  
State Tax Commission

**SUBJECT:** Commercial Rehabilitation Act Exemption Report – 2018 & 2019 Tax Years

Please find attached one copy of the Commercial Rehabilitation Act Exemption Report for both the 2018 and 2019 tax years. This report is required by Public Act 210 of 2005, the Commercial Rehabilitation Act. Section 15 of the Act provides, in part, as follows:

- (1) The department annually shall prepare and submit to the committees of the house of representatives and senate responsible for tax policy and economic development issues a report on the utilization of commercial rehabilitation districts, based on the information filed with the commission

Attachment

cc: Joyce Parker, Deputy State Treasurer of State and Local Finance Overview  
Rachel E. Richards, Legislative Liaison  
Heather S. Frick, Director, Bureau of Local Government and School Services

**Background:**

Public Act 210 of 2005, as amended, the Commercial Rehabilitation Act provides for property tax exemptions of commercial, multifamily residential and qualified retail food establishment properties, excluding land, which are rehabilitated and meet the requirements of the Act. Exemptions are approved for a term of 1-10 years, as determined by the unit of local government.

There are two parts to the calculation of taxes owed on a Commercial Rehabilitation Act exemption certificate. The first part of the tax calculation is based on the taxable value for the tax year immediately preceding the effective date of the exemption certificate, which is taxed against the full millage rates levied. The taxable value for the year immediately preceding the effective date of the exemption certificate is frozen for the duration of the exemption certificate, as issued by the State Tax Commission. The second part of the tax calculation is based on the current, also known as post-rehab, taxable value of the property which is taxed against only the school operating and State Education Taxes millage rates levied.

Applications are filed, reviewed, and approved by the unit of local government, with the State Tax Commission responsible for final approval and issuance of exemption certificates. For the 2018 and 2019 tax years, there were 58 and 67 units of local government, respectively, participating in the program.

**Activity:**

For the 2018 tax year, there were 131 properties receiving an exemption. (See Table 1.) It is estimated through data provided by the unit of local government assessor's office that these projects have resulted in a total of 1,889 construction jobs created, 1,679 existing jobs being retained, and 3,104 new jobs having been created. These properties had a combined frozen taxable value totaling \$37,752,136 for 2018. These properties had a combined current taxable value totaling \$143,076,166 for 2018. The overall increase in taxable value for 2018 is \$105,324,030. (See Table 2.)<sup>1</sup>

For the 2019 tax year, there were 143 properties receiving an exemption. (See Table 1.) It is estimated through data provided by the unit of local government assessor's office that these projects have resulted in a total of 2,347 construction jobs created, 1,389 existing jobs being retained, and 3,070 new jobs having been created. These properties had a combined frozen taxable value totaling \$38,686,518 for 2019. These properties had a combined current taxable value totaling \$154,706,063 for 2019. The overall increase in taxable value for 2019 is \$116,019,545 (See Table 2.)<sup>1</sup>

<sup>1</sup> As determined from data provided by the unit of local government assessor's office. The City of Saline did not submit an assessing officer report in 2019, so there is no data reported for the City of Saline for 2019.

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<b>Table 1. Exemptions and Jobs</b>								
	<b>2018 Exemptions</b>	<b>2019 Exemptions</b>	<b>2018 Construction Jobs</b>	<b>2019 Construction Jobs</b>	<b>2018 Jobs Retained</b>	<b>2019 Jobs Retained</b>	<b>2018 Jobs Created</b>	<b>2019 Jobs Created</b>
Village of Almont	1	NA	0	NA	0	NA	0	NA
City of Alpena	3	2	85	0	17	0	45	35
Township of Antwerp	1	1	0	0	0	0	0	0
City of Auburn Hills	1	1	25	25	65	65	0	0
City of Au Gres	4	3	61	0	23	0	21	0
Township of Bagley	NA	1	NA	25	NA	0	NA	40
City of Battle Creek	1	1	0	0	33	35	0	0
City of Bay City	1	1	40	40	15	5	15	15
City of Benton Harbor	1	1	0	0	0	0	0	0
Village of Bellaire	1	1	0	0	45	47	206	0
Township of Big Rapids	1	1	62	62	15	30	30	15
City of Bridgman	2	2	20	47	25	0	0	25
Township of Brownstown	2	2	20	20	0	0	149	149
Township of Bruce	NA	1	NA	240	NA	120	NA	120
City of Burton	NA	1	NA	150	NA	12	NA	20
Township of Calumet	1	1	5	5	5	5	5	5
City of Cheboygan	NA	1	NA	6	NA	6	NA	6
Township of Clam Lake	2	2	13	0	5	0	5	5
Township of Clark	2	2	8	8	9	8	5	2
Village of Decatur	1	1	0	0	0	0	0	0
Township of Delta	1	1	0	0	400	400	800	800
City of Detroit	37	41	0	0	0	0	0	0
Township of DeWitt	2	1	22	15	23	20	21	20

<sup>1</sup> As determined from data provided by the unit of local government assessor's office.

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	2018 Exemptions	2019 Exemptions	2018 Construction Jobs	2019 Construction Jobs	2018 Jobs Retained	2019 Jobs Retained	2018 Jobs Created	2019 Jobs Created
City of Flint	2	3	0	0	0	0	0	0
Township of Flint	1	2	15	61	6	46	3	43
City of Flushing	1	1	0	0	7	7	0	5
City of Gladwin	1	1	118	118	0	33	33	0
City of Grand Rapids	1	1	9	9	14	14	6	6
City of Grosse Pointe	1	1	0	0	0	0	0	0
Township of Hagar	NA	1	NA	0	NA	0	NA	0
Township of Hampton	2	1	80	50	1	1	31	1
Village of Hesperia	2	2	2	2	0	0	0	0
City of Hillsdale	6	4	139	24	128	75	52	23
Township of Inverness	NA	1	NA	15	NA	27	NA	20
City of Iron Mountain	NA	3	NA	34	NA	20	NA	6
City of Jackson	1	1	78	0	0	0	0	0
City of Jonesville	1	1	0	0	0	0	0	0
City of Laingsburg	1	1	6	6	0	9	9	11
Village of Lake Orion	NA	1	NA	0	NA	0	NA	0
City of Livonia	3	2	0	0	90	0	95	120
Village of Mancelona	1	1	2	0	0	0	0	0
City of Marlette	1	NA	40	NA	80	NA	80	NA
City of Marquette	1	1	15	15	25	52	50	25
City of Milan	1	1	64	0	24	0	12	0
City of Morenci	2	2	25	25	1	0	0	1
Township of Mundy	1	1	80	80	33	33	33	33
City of Muskegon	3	3	59	59	6	6	26	26
City of Muskegon Heights	1	1	110	110	4	14	14	4

<sup>1</sup> As determined from data provided by the unit of local government assessor's office.

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	2018 Exemptions	2019 Exemptions	2018 Construction Jobs	2019 Construction Jobs	2018 Jobs Retained	2019 Jobs Retained	2018 Jobs Created	2019 Jobs Created
Township of Niles	1	1	25	25	20	20	20	20
City of Novi	1	NA	0	NA	0	NA	0	NA
Township of Orion	NA	1	NA	40	NA	6	NA	38
Village of Paw Paw	NA	1	NA	0	NA	0	NA	0
Township of Plainfield	1	1	20	12	15	15	17	29
City of Pontiac	1	1	210	210	28	28	5	11
City of Reed City	2	2	9	9	10	5	5	10
City of Roseville	4	4	100	100	144	144	260	260
City of St. Johns	1	NA	18	NA	0	NA	9	NA
City of Saline	1	1	0	0	0	0	0	0
City of Southfield	6	4	50	50	14	14	641	641
City of Southgate	1	1	51	51	162	162	90	90
City of South Haven	NA	1	NA	0	NA	0	NA	0
Village of Stevensville	2	2	17	17	16	16	10	10
Township of Sturgis	1	1	6	6	0	0	7	7
Township of Sunfield	1	1	0	0	0	0	2	5
Village of Vicksburg	NA	1	NA	45	NA	0	NA	26
City of Warren	1	1	0	90	130	130	260	220
Township of Washington	1	1	0	0	10	10	0	0
Township of Waterford	NA	1	NA	30	NA	18	NA	30
City of Whitehall	1	1	15	15	0	0	20	20
Township of White Lake	1	2	0	200	0	20	0	20
City of Zeeland	7	8	165	196	31	36	52	52
<b>Total</b>	<b>131</b>	<b>143</b>	<b>1,889</b>	<b>2,347</b>	<b>1,679</b>	<b>1,389</b>	<b>3,104</b>	<b>3,070</b>

<sup>1</sup> As determined from data provided by the unit of local government assessor's office.

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	<b>2018 Frozen Taxable Value</b>	<b>2018 Current Taxable Value</b>	<b>Net Increase/(Loss)</b>	<b>2019 Frozen Taxable Value</b>	<b>2019 Current Taxable Value</b>	<b>Net Increase/(Loss)</b>
Village of Almont	\$72,700	\$72,700	\$0	NA	NA	NA
City of Alpena	\$230,900	\$2,570,724	\$2,339,824	\$18,800	\$1,810,212	\$1,791,412
Township of Antwerp	\$37,500	\$37,500	\$0	\$37,500	\$0	(\$37,500)
City of Auburn Hills	\$1,147,740	\$774,540	(\$373,200)	\$1,147,740	\$793,120	(\$354,620)
City of Au Gres	\$359,994	\$782,309	\$422,315	\$174,589	\$174,589	\$0
Township of Bagley	NA	NA	NA	\$107,600	\$332,500	\$224,900
City of Battle Creek	\$24,493	\$367,073	\$342,580	\$24,493	\$367,073	\$342,580
City of Bay City	\$39,250	\$39,250	\$0	\$39,250	\$39,250	\$0
City of Benton Harbor	\$960,146	\$10,786,353	\$9,826,207	\$960,146	\$10,955,435	\$9,995,289
Village of Bellaire	\$102,200	\$102,200	\$0	\$102,200	\$152,200	\$50,000
Township of Big Rapids	\$83,900	\$83,900	\$0	\$83,900	\$83,900	\$0
City of Bridgman	\$220,526	\$509,600	\$289,074	\$220,526	\$546,700	\$326,174
Township of Brownstown	\$332,220	\$1,399,800	\$1,067,580	\$332,220	\$1,425,235	\$1,093,015
Township of Bruce	NA	NA	NA	\$3,106,625	\$3,106,625	\$0
City of Burton	NA	NA	NA	\$217,500	\$513,920	\$296,420
Township of Calumet	\$113,800	\$135,000	\$21,200	\$113,800	\$137,760	\$23,960
City of Cheboygan	NA	NA	NA	\$54,000	\$92,544	\$38,544
Township of Clam Lake	\$230,900	\$94,600	(\$136,300)	\$230,900	\$39,000	(\$191,900)
Township of Clark	\$91,467	\$82,407	(\$9,060)	\$91,467	\$150,180	\$58,713
Village of Decatur	\$19,019	\$0	(\$19,019)	\$19,019	\$0	(\$19,019)
Township of Delta	\$2,495,800	\$2,495,800	\$0	\$2,495,800	\$5,362	(\$2,490,438)
City of Detroit	\$7,288,666	\$73,873,680	\$66,585,014	\$7,614,831	\$83,470,649	\$75,855,818
Township of DeWitt	\$273,700	\$5,671,808	\$5,398,108	\$224,300	\$296,560	\$72,260

<sup>1</sup> As determined from data provided by the unit of local government assessor's office.

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	2018 Frozen Taxable Value	2018 Current Taxable Value	Net Increase/(Loss)	2019 Frozen Taxable Value	2019 Current Taxable Value	Net Increase/(Loss)
City of Flint	\$501,200	\$5,671,808	\$5,170,608	\$577,286	\$5,884,000	\$5,306,714
Township of Flint	\$119,077	\$159,586	\$40,509	\$798,584	\$1,541,700	\$743,116
City of Flushing	\$410,400	\$651,900	\$241,500	\$410,400	\$631,900	\$221,500
City of Gladwin	\$67,000	\$223,657	\$156,657	\$67,000	\$227,100	\$160,100
City of Grand Rapids	\$506,620	\$603,312	\$96,692	\$506,620	\$625,891	\$119,271
City of Grosse Pointe	\$424,500	\$134,147	(\$290,353)	\$424,500	\$137,366	(\$287,134)
Township of Hagar	NA	NA	NA	\$287,633	\$0	(\$287,633)
Township of Hampton	\$3,346	\$4,102,275	\$4,098,929	\$3,346	\$1,907,275	\$1,903,929
Village of Hesperia	\$18,465	\$37,965	\$19,500	\$18,465	\$63,833	\$45,368
City of Hillsdale	\$1,663,168	\$1,943,881	\$280,713	\$918,312	\$1,242,073	\$323,761
Township of Inverness	NA	NA	NA	\$54,000	\$92,544	\$38,544
City of Iron Mountain	NA	NA	NA	\$264,965	\$249,300	(\$15,665)
City of Jackson	\$0	\$1,083,500	\$1,083,500	\$113,800	\$137,760	\$23,960
City of Jonesville	\$20,596	\$250,267	\$229,671	\$20,596	\$363,600	\$343,004
City of Laingsburg	\$9,870	\$10,077	\$207	\$9,870	\$18,148	\$8,278
Village of Lake Orion	NA	NA	NA	\$419,130	\$571,050	\$151,920
City of Livonia	\$1,389,760	\$7,557,900	\$6,168,140	\$676,700	\$6,933,460	\$6,256,760
Village of Mancelona	\$144,700	\$150,100	\$5,400	\$144,700	\$150,229	\$5,529
City of Marlette	\$569,781	\$569,781	\$0	NA	NA	NA
City of Marquette	\$218,301	\$218,301	\$0	\$218,301	\$390,501	\$172,200
City of Milan	\$183,037	\$183,037	\$0	\$0	\$0	\$0
City of Morenci	\$56,000	\$147,023	\$91,023	\$56,000	\$227,251	\$171,251
Township of Mundy	\$99,000	\$99,000	\$0	\$99,000	\$499,000	\$400,000
City of Muskegon	\$1,878,300	\$215,514	(\$1,662,786)	\$1,878,300	\$500,286	(\$1,378,014)

<sup>1</sup> As determined from data provided by the unit of local government assessor's office.

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	2018 Frozen Taxable Value	2018 Current Taxable Value	Net Increase/(Loss)	2019 Frozen Taxable Value	2019 Current Taxable Value	Net Increase/(Loss)
City of Muskegon Heights	\$0	\$0	\$0	\$0	\$480,665	\$480,665
Township of Niles	\$330,185	\$330,185	\$0	\$330,185	\$330,185	\$0
City of Novi	\$0	\$3,965,230	\$3,965,230	NA	NA	NA
Township of Orion	NA	NA	NA	\$1,463,660	\$2,747,130	\$1,283,470
Village of Paw Paw	NA	NA	NA	\$0	\$0	\$0
Township of Plainfield	\$424,700	\$602,319	\$177,619	\$424,700	\$606,581	\$181,881
City of Pontiac	\$2,068,350	\$3,150,220	\$1,081,870	\$0	\$0	\$0
City of Reed City	\$228,455	\$308,356	\$79,901	\$228,455	\$313,477	\$85,022
City of Roseville	\$332,343	\$4,930,260	\$4,597,917	\$332,343	\$4,969,665	\$4,637,322
City of St. Johns	\$27,000	\$2,413	(\$24,587)	NA	NA	NA
City of Saline	\$1,382,332	\$1,382,332	\$0	\$1,382,332	\$0	(\$1,382,332)
City of Southfield	\$6,577,932	\$6,577,932	\$0	\$4,814,359	\$13,016,869	\$8,202,510
City of Southgate	\$2,286,660	\$224,200	(\$2,062,460)	\$2,286,660	\$2,188,800	(\$97,860)
City of South Haven	NA	NA	NA	\$0	\$0	\$0
Village of Stevensville	\$25,000	\$173,400	\$148,400	\$25,000	\$179,273	\$154,273
Township of Sturgis	\$130,054	\$149,223	\$19,169	\$130,054	\$152,804	\$22,750
Township of Sunfield	\$5,362	\$5,362	\$0	\$5,362	\$5,362	\$0
Village of Vicksburg	NA	NA	NA	\$78,456	\$598,656	\$520,200
City of Warren	\$620,755	\$620,755	\$0	\$620,755	\$0	(\$620,755)
Township of Washington	\$71,500	\$282,100	\$210,600	\$71,500	\$282,100	\$210,600
Township of Waterford	NA	NA	NA	\$143,460	\$216,960	\$73,500
City of Whitehall	\$44,600	\$14,353	(\$30,247)	\$44,600	\$89,697	\$45,097
Township of White Lake	\$419,130	\$419,130	\$0	\$419,130	\$571,050	\$151,920
City of Zeeland	\$369,736	\$831,588	\$461,852	\$500,793	\$1,069,708	\$568,915
<b>Total</b>	<b>\$37,752,136</b>	<b>\$143,076,166</b>	<b>\$105,324,030</b>	<b>\$38,686,518</b>	<b>\$154,706,063</b>	<b>\$116,019,545</b>

<sup>1</sup> As determined from data provided by the unit of local government assessor's office.